

**From:** [REDACTED]  
**To:** [ETF SMB Board Feedback](#)  
**Subject:** City of Mineral Point Health Ins increase  
**Date:** Tuesday, September 10, 2024 1:19:52 PM

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Hello,

My name is Gary Galle. I'm the President of the City Council of Mineral Point, chair of the Finance Committee, and Alder for Ward 4. Yesterday, at our finance meeting, it was revealed to me that our insurance policy premiums for our employees has gone up 30%. This is simply unacceptable. I'm requesting a review of our policy, first to make sure if this is an accurate quote, and two, to explain to me and the taxpayers of Mineral Point how such an increase is possible. I would also like to be contacted at [REDACTED] to confirm that someone is following up on my request.

Thank you.



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
A. John Voelker  
SECRETARY

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September 23, 2024

Gary Galle  
[REDACTED]

Dear Gary Galle:

Thank you for your September 10, 2024, email to the Group Insurance Board (Board) and the Department of Employee Trust Funds (ETF) regarding your concern about the announced increases in premium rates for health plans, specifically for the City of Mineral Point (City) in Iowa County. The City participates in the Wisconsin Public Employers Group Health Insurance Program (GHIP) and offers the Traditional plan without uniform dental coverage to its employees and eligible retirees. This plan is also called Program Option 12 (Option 12).

We share your concerns about the rising cost of health insurance. ETF works very hard to limit premium increases. Plans who have been accepted into the GHIP formulate an offer to ETF of renewal rates based upon financial assessments of their administrative costs, provider contracts, the utilization of health care services, and the demographics of their enrollees. The Board's actuary, Segal, reviews the bids and other data supplied by the plans. We make every attempt to have plans only submit rates that are justified by their claims experience. We believe that our system has resulted in lower premium increases compared to other employer groups, especially given that the GHIP continues to offer consistently high benefits.

The primary reasons for the increase in 2025 premiums are as follows:

1. Post COVID-19 claims utilization continues to grow.
2. Inflation has affected all elements of health care, including provider wages, medical supplies, etc.
3. Reserves: The Board had been artificially reducing premium rates for seven years by using reserve funds. The reserves protect the GHIP against possible adverse experience and negative market trends. In 2024, reserve funds were below the target range set by the Board, and so the Board was no longer able to decrease premiums. Beginning in 2025, the Board took action to rebuild the reserves by adding 0.8% to premiums.

The average increase for all health plans offered to participating local government employees is 11%. The employees and eligible retirees of the City may select any

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health plan offered in the GHIP. Most select an HMO that offers providers in the county the live in.

Local employers may contribute up to 88% of the tier 1 qualified health plans' average premium in the employer's county. Information about tiering and qualification of health plans can be found on ETF's website [here](#). In 2025, Iowa County's only tier 1 qualified plan is the State Maintenance Plan. Therefore, its premium rate is the basis for the contribution formula. The 2025 maximum employer contribution per month under the 88% formula is \$966.17 for an individual and \$2,378.24 for a family. For more information about which health plans offer providers in Iowa County, start [here](#). Click on the 88% tables for Option 12 and scroll down to the Iowa County rows. There are tables for both 2025 and 2024 on this web page. In 2024, the maximum employer contribution per month under the 88% formula is \$713.72 for an individual and \$1,751.48 for a family. This was based upon Medical Associates being Iowa County's only tier 1 qualified plan. So, due to the change in tier 1 qualified health plans and 2025 health plan premium increases, you are correct that the City's maximum employer contribution toward any health plan is going up about 30%.

I hope you have found this response helpful. If you have additional questions or concerns, please feel free to reach out using the contact information provided below. A copy of your letter and ETF's response will be included in the materials for the November 13, 2024, Board meeting.

Sincerely,

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